GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5852
ANSWERED ON:31.08.2001
ADULTERATION IN GHEE AND KATHA
RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) Whether the attention of the government have been drawn to the news-item captioned `Taxman Uncover Undeclared Wealth` appearing in the Hindu dated November 16, 1999;

(b) If so, the facts of the matter reported thereon;

(c) Whether it is also correct that the group was engaged in Milk/Ghee and Katha having unit in Delhi and other places;

(d) If so, whether in view of dubious record of this group, it is apprehended that they were also indulging in adulteration and using synthetic/sub-standard materials for ghee and katha;

(e) Whether the Government have also involved PFA authorities, to investigate adulteration aspect apart from fiscal irregularities; and

(f) If so, the details with outcome thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)& (b): Yes, Sir. The news-item contained information regarding income tax searches and post search investigations conducted in the cases of manufacturers of katha and ghee/milk powder. However, the facts reported in the news-item that the manufacturers of ghee and milk powder had declared unaccounted income of Rs. 10 crores and had admitted having indulged in Hawala transactions were not correct. The position regarding alleged multi-crore money-laundering racket and over-invoicing of exports of casein would crystallize only after the relevant income tax assessments are made.

(c): Yes, Sir.

(d) to (f): Income tax investigations did not reveal adulteration or use of synthetic/substandard material. Therefore, PFA authorities were not involved.